APPLICATION FOR PERMIT TO DRILL OR RE-ENTER APPLICATION TO DRILL X RE-ENTER OLD WELL NAME OF COMPANY OR OPERATOR Southwest Exploration, Inc. / Passport Potash, Inc. State Phone Number 3266 W. Galveston #101 Apache Junction 480-288-6530 Arizona **Drilling Contractor** K & M Drilling Address 2432 Private Drive, Camp Verde, Arizona 86322 **DESCRIPTION OF WELL AND LEASE** Federal, State or Indian Lease Number, or if fee lease, name of lessor Well number PP-2011-08 Elevation (ground) ASLD 08-113270 -5388.0- 5374 Nearest distance from proposed location to property or lease line: Distance from proposed location to nearset drilling, completed or applied-for well on the same lease: 2024 - S-2583.2feet Number of acres in lease Number of wells on lease, including this well, completed in or drilling to this reservoir: 671.78 If lease purchased with one or more wells drilled, from whom purchased. Name Address Well location (give footage from section lines) 2024. 1' f51 4 2621. 5 Section - Township - Range or Block and Survey S30 - T16N - R24E Dedication per A.A.C. R12-7-104(A)(3) Field and reservoir (if wildcat, so state)

Wildcat - Stratigraphic - Potash County Apache Distance in miles and direction from nearest town or post office Approx. 15 miles SE of Holbrook, AZ S-2583.2' E-2786.6' Proposed depth: Rotary or cable tools 1450 Approximate date work will start February 2011 Rotary / Core On File Organization Report Filing Fee of \$25.00 Bond status \$50,000 On file X Attached X Amount Remarks Amended location 02-001-20396 CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: __agent Southwisst Exploration, Inc. / Passport (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge. Signature Mail completed form to: Oll and Gas Program Administrator Arizona Geological Survey 416 W. Congress, #100 Tucson, AZ 85701-1315 Date Permit Number: STATE OF ARIZONA 2-4-2011 Approval Date: **OIL & GAS CONSERVATION COMMISSION** Approved By: Application to Drill or Re-enter

Application to Drill or Re-enter File Two Copies

Form No. 3

Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107. 2. A registered surveyor shall show on the plat the location of the well and certify this information in the space provided. PN 1026 3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION. 4. Is the operator the only owner in the dedicated acreage outlined on the plat below? YES X NO_ 5. If the answer to question four is no, have the interests of all owners been consolidated by communitization agreement or otherwise? YES _____ NO ____ If answer is yes, give type of consolidation 6. If the answer to question four is no, list all the owners and their respective interests below: Owner Southwest Exploration, Inc. / Passport Potash, Inc. Land Description S30 -T16N - R24E CERTIFICATION I hereby certify that the information abov is true and complete to the best of my knowledge and belief. Name see we ation Joshua Bleak Position Agent Southwest / Passport Date 109°50 32.0 I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and

PROPOSED CASING PROGRAM

1500

1000

500

2000

1320 1650 1980 2310

Date Surveyed

Registered Land Surveyor

Gerald K Wood

Certificate No. LS 22290

Size of Casing	Weight	Grade & Type	Тор	Bottom	Cementing Depths	Sacks Cement	Туре
6.625" 4.5"	20.1 11.8 lbs / ft	PWT HWT	53881	1450' TD	50' Plug at Fresh / Salt Interval	6-9 Bags for Surface Casing	Driller Supplied
		_					

Location Change Only

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER APPLICATION TO DRILL X RE-ENTER OLD WELL NAME OF COMPANY OR OPERATOR Southwest Exploration, Inc. / Passport Potash, Inc. City State Phone Number 3266 W. Galveston #101 Apache Junction Arizona 480-288-6530 K&M Drilling 2432 Private Drive, Camp Verde, Arizona 88322 **DESCRIPTION OF WELL AND LEASE** Federal, State or Indian Lease Number, or if fee lease, name of lessor Well number Elevation (ground) Twin Buttes Ranch PP-2011-08 5374' Nearest distance from proposed location to property or lease line: Distance from proposed location to nearset drilling, completed or applied-for well on the same lease: 2024 feet Number of acres in lease Number of wells on lease, including this well, completed in or drilling to this reservoir. If lease purchased with one or more wells drilled, from whom purchased. Name Address Well location (give footage from section lines) 2024.1' FSL; 2621.5' FEL Section - Township - Range or Block and Survey S30 - T16N - R24E Dedication per A.A.G. R12-7-104(A)(3) Field and reservoir (if wildcat, so state) County Wildcat - Stratigraphic - Potash Apache -Navajo Distance in miles and direction from nearest town or post office Approx. 15 miles SE of Holbrook, AZ Rotary or cable tools Rotary / Core Approximate date work will start May, 2011 On File Organization Report Filing Fee of \$25.00 \$50,000 On file X Attached X Amended location API 02-001-20396 POTOSH

CERTIFICATE: I, the undersigned under the penalty of perjury, state that I am the: (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, corr iplete to the best of my knowledge. Signature Mail completed form to: Oil and Gas Program Administrator Arizona Geological Survey 416 W. Congress, #100 Tucson, AZ 85701-1315 Date

Address

Address

640

Proposed depth: 1450

Bond status

Amount

Remarks

Drilling Contractor

Permit Number: _1026 5-13-11 Approval Date:

Approved By:

OIL & GAS CONSERVATION COMMISSION Application to Drill or Re-enter

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File Two Copies

STATE OF ARIZONA

Form No. 3

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	If the energy to execution for it is not that all the execution and the law an

Owner Southwest Exploration/Passport Potash	Land Description 536 TIGN R24	16
TIGNR 24E 5 EC N34° 45' 18.5" 30 W 109° 50' 30.0" Elev. 5374' WOOD WOOD		I hereby certify that the information above is true and complete to the best of my knowledge and belief. BILEN ALIS Name Position Date I hereby certify that the well location shown on the plat was plotted from field noise of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed Date Surveyed SOUIZOII Registered Land Surveyor Carall K. Nood
330 660 990 1320 1850 1860 2310 2640 2080 160	10 t000 500 o i-	Geral A. St. Certificate No. 22290 LS

PROPOSED CASING PROGRAM

Size of Casing	Welght	Grade & Type	Top	Boltom	Cementing Depths	Sacks Cement	Тура
6·625 " 4·5 "	20.1 11.8 Lbs/ft	PMT HMT			50' Plug 9t Fresh/Salt Interval	6-9 Bags for Surface Casing	Driller Supplied